

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

M E M O R A N D U M

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DATE: AUGUST 1, 2019

TO: GOVERNING BOARD

FROM: STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

SUBJECT: **WIGGINS SETTLEMENT AGREEMENT.** Approval of Replacement Housing Plan for the Morrison Hotel & Replacement Housing/Relocation Assistance Plans for the Barclay Hotel, located at 1246 Hope Street and 103 W. 4th Street, respectively, in the City Center Project Area.

RECOMMENDATIONS

That the Governing Board:

- (1) Rescind the action of November 3, 2016 approving the Morrison Hotel Replacement Housing Plan; Approve a Replacement Housing Plan for the Morrison Hotel; and, Approve Replacement Housing and Relocation Assistance Plans for the Barclay Hotel, all pursuant to the Wiggins Settlement Agreement and Development Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas (the "Guidelines").
- (2) Authorize recording of Affordability Covenants restricting rents to low-income persons, based on an overall average of 46% of area median income, at each replacement site for a period of not less than 55 years.

SUMMARY

The recommended actions will facilitate the proposed conversion of (a) the Morrison Hotel ("Morrison"), a 111-unit residential hotel, into an 80-room traditional hotel; and (b) the Barclay Hotel ("Barclay"), 155-unit residential hotel, into a traditional hotel with 145 guest rooms. The Guidelines and the Wiggins Settlement Agreement ("Wiggins") stipulate that prior to the clearance of a permit by CRA/LA the Developer is required to provide Replacement Units. The Guidelines describe options on how owners may comply with the replacement unit requirement, including constructing Replacement Units on site; constructing Replacement Units (on a one-for-one basis) at eligible off-site locations; purchasing affordability covenants; or paying an in-lieu fee.

The two residential hotels are under common ownership, and the Developer proposes to construct the required number of replacement units at two off-site locations under its control (a) 409-411 E. 4th Street (151 units) and 1316-1328 Linwood Avenue (115 units). In furtherance of the Guidelines, the Developer has agreed to record 55-year affordability covenants at both replacement unit site locations. The Developer's Replacement Housing Plans are consistent with the Guidelines and staff recommends their approval.

PREVIOUS ACTIONS

November 3, 2016 – Governing Board approval of Replacement Housing Plan for the Morrison Hotel, providing Developer with flexibility to meet its obligations by either constructing replacement units or paying an agreed upon in-lieu fee.

REPLACEMENT HOUSING & RELOCATION ASSISTANCE PLANS

Relevant Group ("Applicant") plans to redevelop the Morrison Residential Hotel ("Morrison") and the Barclay Residential Hotel ("Barclay") and is adaptively reusing each into traditional hotels. A summary of the Replacement Housing Plans for the Barclay and Morrison and the Relocation Assistance Plan for the Barclay is provided below.

Morrison Hotel

The Morrison contains 111 single occupancy residential ("SRO") units. At the time of operation, the Morrison was configured as 90 single room units with a shared bathroom for every two units, and 21 units with their own bathrooms. The units are vacant and have not been occupied since 2008. Therefore, a relocation assistance plan is not required.

The 111 residential units at the Morrison will be replaced at 1316-1328 Linwood Avenue ("Linwood Site") and/or a qualified alternative site, or some combination thereof, satisfying the Applicant's obligations under Wiggins ("Linwood Replacement Project"). The Linwood Site is improved with existing multi-family units. The Applicant plans to construct 150 units at the Linwood Site through a Density Bonus request under Sections 12.22 A.25 and 12.24 U.26 of the Los Angeles Municipal Code ("LAMC"). The Master Land Use Application ("MLUA") for this request has not yet been filed with the City, but it will likely include a combination of on-menu incentives, waivers of development standards and a Conditional Use Permit to exceed 35% density. The total Linwood Site area is 18,720 square feet. The existing zoning at the Site is R5(CW) – Multiple Dwelling Units, which permits a by-right residential density of one dwelling unit per 200 square feet of lot area. The Site is located within the Central City West Specific Plan area and has a by-right FAR of 6:1. The MLUA for the Linwood Replacement Project has not yet been filed, but the Applicant has been working with the Department of City Planning ("Planning") to finalize the scope of the request, necessary California Environmental Quality Act ("CEQA") compliance, and any other pre-filing submittals. The Applicant plans to utilize SB 2162 for the Linwood Replacement Project. The AB 2556 Form was filed with HCID on April 18, 2019 and the Applicant plans to submit the MLUA to Planning later this summer.

The Applicant believes that the entitlement process should be completed by Spring 2020, with construction of the Morrison replacement units beginning in June 2020. The all-in cost of constructing Morrison replacement units at the Linwood site is estimated at approximately \$38 million, which will be financed with Applicant equity and construction loans.

The Applicant has agreed to record a 55-year covenant against the Linwood site and/or a qualified alternative site, or some combination thereof, restricting 111 units at average affordability levels of 46% of AMI, as set forth below:

Morrison Hotel Replacement Units

| Affordability Level | No. of Units | Percent of Units |
|-----------------------|--------------|------------------|
| Not more than 30% AMI | 11 | 10% |
| Not more than 40% AMI | 33 | 30% |
| Not more than 50% AMI | 67 | 60% |
| Totals | 111 | 100% |

Barclay Hotel

The Barclay contains 155 SRO units, 105 units are equipped with bathrooms and 50 units share common bathrooms. Currently, 26 units are occupied.

A Relocation Assistance Plan ("Relocation Plan") is required. The Applicant has submitted the Relocation Plan as required by the Wiggins Settlement Agreement and Section 7260 et seq of the California Government Code and Title 25 of the California Code of Regulations Section 6000 et seq. The Relocation Plan has been prepared to evaluate the present circumstances and replacement housing requirements of the current occupants, including the anticipated individual household needs related to public transportation, employment, schools, services and amenities. The Relocation Plan follows the requirements in Section VIII.B. as related to relocation assistance benefits, moving costs, and supplemental relocation assistance benefits. The Applicant and their relocation consultant will conduct in-person interviews with the existing tenants prior to redevelopment of the Barclay.

The 155 Residential Hotel Units located at the Barclay Residential Hotel will be replaced at 409-411 E. 5th Street ("5th Street Site"), 1316-1328 Linwood Avenue ("Linwood Site"), and/or a qualified alternative site, or a combination thereof, consistent with the Applicant's replacement obligations under the Wiggins Settlement Agreement ("5th Street Replacement Project"). The Applicant anticipates 150 units will be located at the 5th Street Site four units will be located at the Linwood Site. The 5th Street Site is currently developed into a parking lot and commercial use, while Linwood has existing multi-family units. The Applicant plans to construct 150 units at the 5th Street Site through SB 35. The Master Land Use Application for this request has not yet been filed with the City, but the Applicant plans to submit it by late Summer 2019. The existing zoning at the 5th Street Site is [Q]R5-2D and is within the Greater Downtown Housing Incentive Area. The residential density is unlimited and the by-right FAR is 3:1.

The Applicant is in the entitlement process and expects to secure building permit by Fall 2019, with commencement of construction in November 2019. The all-in cost of constructing the Barclay replacement units at the 5th Street site is estimated at approximately \$35 million, which will be financed with Applicant equity and construction loans.

The Applicant has agreed to record a 55-year covenant against the 5th Street Site, the Linwood Site, and/or a qualified alternative site, or some combination thereof, restricting 155 units at average affordability levels of 46% AMI, as follows:

Barclay Hotel Replacement Units

| Affordability Level | No. of Units | Percent of Units |
|-----------------------|--------------|------------------|
| Not more than 30% AMI | 16 | 10% |
| Not more than 40% AMI | 46 | 30% |
| Not more than 50% AMI | 93 | 60% |
| Totals | 155 | 100% |

Per the Wiggins Settlement Agreement, the Wiggins Plaintiff's representatives were provided copies of the Plans and in advance of the scheduled Governing Board meeting. They agree and support approvals of the two Plans.

SOURCE OF FUNDS

No funding is required for this action.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

There is no impact on the Successor Agency's administrative budget.

ENVIRONMENTAL REVIEW

The recommended actions do not constitute the approval of a "project" for purpose of the California Environmental Quality Act ("CEQA").



Steve Valenzuela
Chief Executive Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

Attachments: Morrison Hotel Replacement Housing Plan and Barclay Hotel Replacement Housing and Relocation Assistance Plans

UNIFIED REPLACEMENT HOUSING PLAN
1246 S. Hope Street, Los Angeles, California

This Unified Replacement Housing Plan (the "Plan") sets forth the obligations of Morrison Hotel LLC, together with its successors and assigns, (the "Buyer"), in its provision of a Replacement Housing Plan based upon discussions and correspondence with the Community Redevelopment Agency of the City of Los Angeles ("CRA/LA"), a Designated Local Authority, and the Successor Agency to CRA/LA and the City of Los Angeles ("City") Housing and Community Investment Department ("HCID") in satisfaction of (1) the Development Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas (the "Guidelines"); (2) the Wiggins Settlement Agreement (the "Settlement"); and (3) City Ordinance No. 180,175: the Single Room Occupancy Ordinance (the "Ordinance") with respect to the proposed rehabilitation and conversion of the vacant, 111-unit Morrison Residential Hotel ("Morrison Residential Hotel") located at 1246 South Hope Street, Los Angeles, California ("Property") into a traditional hotel ("Morrison Hotel Project"). This Plan is written in accordance with Section IV.B and VII of the Guidelines; Section 2.A-2.c. of the Settlement and Section 47.79 of the Ordinance. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Guidelines.

As a condition precedent to the issuance of a building permit for the demolition, rehabilitation, or conversion of the Residential Hotel Units located in the Morrison Residential Hotel, the Buyer is required to provide Replacement Units ("Replacement Units") as defined in Section III of the Guidelines; Section 1 of the Settlement; and, Section 47.73-D of the Ordinance; and, in accordance with Section IV of the Guidelines; Section 2.A-2 of the Settlement; and, Section 47.78 of the Ordinance. The Guidelines, Settlement, and Ordinance provide several options for a private owner to satisfy its Replacement Unit obligation, including constructing Replacement Units on-site; constructing Replacement Units off-site; purchasing affordability covenants; or paying an in-lieu fee. This Plan outlines the terms and conditions of Buyer's compliance with such requirements by constructing the Replacement Units off-site.

Buyer will also be responsible for demonstrating, (1) Proof of Buyer's ability to fund the project through Buyer equity and permanent and construction loans from a financial institution to pay for construction of the Replacement Unit Housing Development; (2) Recordation of Replacement Unit/Affordability Covenants; and (3) Evidence of Ownership/Control of Site prior to CRA/LA clearing building permits to rehabilitate the Morrison Residential Hotel. By complying with this Plan, Buyer will have satisfied the requirements of the Design Guidelines for purposes of CRA/LA clearing building permits for the Morrison Hotel Project.

- A. *Description of Proposed Rehabilitation and Conversion.* The proposed work is to rehabilitate and convert the vacant 111-unit Morrison Residential Hotel into a traditional hotel. The existing Morrison Residential Hotel has fallen into a state of disrepair and is in need of rehabilitation (e.g., repair, restoration, maintenance and/or minor alterations to the existing structure that involve no expansion of use) prior to the grant of entitlements for the Morrison Hotel Project. The Morrison Hotel Project would involve the adaptive reuse of the existing Morrison Residential Hotel into 69 hotel rooms along with the demolition and redevelopment of the adjacent commercial structures for a total of 450 guest room hotel with uses, including restaurant and retail space, meeting space, ballroom/event space,

pre-function area, roof deck amenity spaces, and 215 auto parking spaces in a subterranean structure. The development will replace the existing commercial uses adjacent to the Morrison Residential Hotel and construct a tower with 135 residential condominiums. Construction of the Morrison Hotel Project is anticipated to start as soon as possible, but no later than October 2020.

- B. *Total Number of Existing Residential Hotel Units.* The Morrison Residential Hotel contains one-hundred and eleven (111) vacant units.
- C. *Bedroom Composition of the Existing Residential Hotel Units.* At the time of operation, the units in the Morrison Residential Hotel were an apartment house configured as single units with a shared bathroom for every two units for 90 units. The remaining 21 units shared common bathrooms.
- D. *Displacement of Residential Hotel Occupants.* The Morrison Residential Hotel has been vacant and unoccupied since 2008. As such, a Relocation Assistance Plan per Guidelines Section VIII, Ordinance Section 47.80, and Agreement Section 3 is not required for the Morrison Residential Hotel.

I. OFF-SITE REPLACEMENT UNITS

This Plan would provide Replacement Units under Guidelines Section VII-B, Ordinance Section 47.79-A.1, and Settlement Section 2.A-2.c(2), which permit a private owner to meet its replacement housing obligation by constructing, or causing to construct 111 Replacement Units on 1316, 1322, and 1328 Linwood Avenue (Replacement Unit Housing Development or Project) or at a qualified alternative site as defined under Section I.H. below.

- A. *Name of Entity and Location for Replacement Units.* Buyer shall satisfy its Replacement Unit obligation under the Guidelines, Settlement, and Ordinance by constructing 111 new Replacement Units off-site on 1316, 1322, and 1328 Linwood Avenue in the City (the “Project Site”), or at a qualified alternative site as defined under Section I.H. below, which is within the applicable boundaries established in the Guidelines, Settlement, and Ordinance.
- B. *Replacement Unit Plan.* Buyer shall satisfy the applicable Replacement Unit obligations under the Guidelines, Settlement, and Ordinance by providing Replacement Units on a one-for-one basis for 111 Morrison Residential Hotel Replacement Units on 1316, 1322, and 1328 Linwood Avenue, or at a qualified alternative site as defined under Section I.H. below. The 111 off-site Replacement Units on the Project Site shall be covenanted as affordable for not less than 55 years at the affordability levels listed as follows:

| Affordability Level | Number of Units | % of Units |
|----------------------|-----------------|-------------|
| No More than 30% AMI | 11 | 10% |
| No More than 40% AMI | 33 | 30% |
| No More than 50% AMI | 67 | 60% |
| TOTAL | 111 | 100% |

The average affordability for the Replacement Units is approximately 46% of AMI.

Because there shall not be a reduction in the number of Replacement Units, the Replacement Units shall have, at a minimum, similar characteristics as the removed existing Residential Hotel units as identified in Section A above. The composition of the Replacement Units would be studios at a minimum or some other unit type such as one-bedroom provided, however, that the rental limits for the units shall be based on the limits designated for the unit type. The maximum allowable rent levels will be based on HCID's most current Income and Rent Limit – Land Use Schedule 1.

Each Replacement Unit shall comply with all applicable federal, state, and local codes. If any Replacement Unit is within 500 feet of a railroad, major highway or freeway, airport or aircraft pathway, the Replacement Units will have a Sound Transition Class of 50 or greater (as defined in the Uniform Building Code).

- C. *Timing and Manner of Replacement Unit Housing Development.* Below is an initial Schedule of Performance for the Replacement Unit Housing Development which is subject to change.

| Action Item | Deadline |
|--|--------------|
| Acquire the Project Site | Completed |
| Evidence of Project Site Control to CRA/LA | May 2019 |
| Submit the Master Land Use Application | Completed |
| Recordation of Replacement Unit/Affordability Covenants | June 2020 |
| Proof of Funding for Project | June 2019 |
| Obtain building permits for Rehabilitation of Morrison Residential Hotel | October 2020 |
| Receive Project Approval | March 2020 |
| Obtain building permits for the Replacement Units | May 2020 |
| Start construction of the Replacement Units | June 2020 |

The construction and development of the Replacement Unit Housing Development is expected to be financed with Buyer equity and permanent and construction loans. Buyer shall provide any buyer equity contribution necessary to obtain the necessary loans from a financial institution for the construction and development of the Replacement Unit Housing Development (the “Buyer Equity Contribution”) in order to avoid the necessity of either the City or CRA/LA having to provide funding for the Replacement Unit Housing Development. Set forth below is an anticipated budget for the financing of the Replacement Unit Housing Development. While the numbers set forth below are subject to change, the Buyer Equity Contribution to be provided by Buyer in all events shall be not less than the following.

| Construction - Fund Type | Amount |
|--------------------------|--------------|
| Construction Loan | \$33,880,000 |
| Equity | \$4,260,218 |

| Permanent - Fund Type | |
|------------------------------|---------------------|
| Permanent Loan | \$27,080,000 |
| Equity | \$11,060,218 |
| Total Buyer Contribution | \$38,140,218 |

D. *CRA/LA and HCID Clearances.* The following shall be conditions precedent to the CRA/LA and HCID providing any clearance for the construction on or occupancy of the Morrison Hotel Project based on compliance with the Design Guidelines:

1. Buyer shall acquire 1316, 1322, and 1328 Linwood Avenue or a qualified alternative site as defined under Section I.H. below;
2. Buyer shall provide evidence that the proposed 111 units can be built on 1316, 1322, and 1328 Linwood Avenue or, if necessary, acquire a qualified alternative site location as defined in Section I.H below;
3. Buyer shall record a covenant on the Project Site for the benefit of the CRA/LA restricting the use of the Project Site to the construction of the Replacement Unit Housing Development which includes the income and rent restrictions required by the Guidelines (the “Replacement Housing Covenant”);
4. Buyer shall provide the CRA/LA and HCID with evidence that the financing set forth in Section D, above, has been committed for the Replacement Unit Housing Development;
5. Construction of the Replacement Units must start within twenty-four (24) months of obtaining building permits for the Morrison Hotel Project. If the Buyer can demonstrate reasonable effort to complete construction and exceptional circumstances beyond the Buyer's control arise that prevent Buyer from starting construction within the twenty-four (24) month period set forth herein, CRA/LA has the option to either (1) stay the timing requirements set forth in this subsection for a mutually-agreed upon period of time; or (2) provide the Buyer with two twenty-four (24) month extensions. The term “exceptional circumstances beyond the Buyer's control” is understood by the parties to include but not be limited to any delay by the City or other governmental entity in processing or issuing permits for the construction of the Replacement Units;
6. If any of the necessary project approvals (e.g., CEQA environmental documents, entitlements, building permits, etc.) become subject to litigation or administrative challenge, the timing requirement to construct the Replacement Units as set forth in Section D.5 of this Plan will be automatically stayed. The end of this tolling period will be determined by mutual agreement of the Buyer and CRA/LA, but will not be before final resolution of the challenge(s); and
7. To ensure performance, Buyer shall record a mutually agreed upon transfer restriction against the Property requiring CRA/LA approval, consistent with the

terms of Sections III.A and III.B herein, for any transfer or sale of the Property prior to the completion of the off-site covenanted Replacement Units (the “Transfer Restriction”). The Transfer Restriction shall be released upon completion of the off-site covenanted Replacement Units.

Upon satisfaction of the foregoing conditions, CRA/LA and HCID clearances shall be provided for the building permits.

- E. *Replacement Unit Income Monitoring and Reporting.* The Replacement Unit Housing Development shall comply with the California Tax Credit Allocation Committee requirements for income compliance monitoring and status reporting for the Replacement Units. This Replacement Unit Income Monitoring and Reporting shall fully satisfy all City and HCID income monitoring and reporting requirements. The City and HCID shall require no further or additional income monitoring and reporting.
- F. *Restriction on Certificate of Occupancy for Last On-Site Unit.* The City and HCID shall have the right to enforce Buyer’s obligations hereunder by withholding the Certificates of Occupancy for the Morrison Hotel Project until the Buyer obtains funding for the Replacement Unit Housing Development, the Replacement Housing Covenant has been recorded in form and substance acceptable to the parties hereto and construction of the off-site units has commenced.
- G. *CRA/LA Approval of the Plan.* Any approval of this Plan granted by CRA/LA shall in no way constitute a representation by CRA/LA that this Plan satisfies any provision of the Ordinance. The City is the sole determiner as to whether this Plan complies with the provision of the Ordinance.
- H. *Buyer Satisfaction.* If the Buyer attempts to construct the Replacement Unit Housing Development, but cannot obtain approval of a project (through no fault of their own) that replaces each unit on a one-to-one basis at the Project Site, the Buyer may seek a qualified alternative site location to construct the remaining units. A qualified alternative site must meet the following criteria:
 - 1. Site is located within the solid red lines denoted on Map A of the Guidelines;
 - 2. Zoning for the site allows residential uses;
 - 3. Zoning for the site allows the required density and FAR to construct the remaining units; and
 - 4. Site is located within a reasonable distance from public transit and services to the fullest extent possible.
- I. LAMC 12.33-C.3 identifies affordable housing as one of the developments that shall not be required to pay a park fee. LAMC 12.33-G states an affordable housing unit shall receive an exemption from the requirement for dedication of land for park and recreational purposes and/or payment of the park fee if the affordable housing unit is affordable to a household at or below 120% of AMI. As all Replacement Units are affordable to a

household below 120% of AMI, the Replacement Units would be exempt from paying the park fee or land dedication for park and recreational purposes.

- J. *Satisfaction of Conditions.* All applicable conditions under the Guidelines, Settlement, and Ordinance relating to providing affordable Replacement Units shall be deemed satisfied upon payment of the in-lieu fee as required under Option B.

II. MISCELLANEOUS

- A. *Applicability of Plan.* This Plan, including its rights and obligations, shall solely benefit and burden the parties hereto and any current or future owner of the Property other than the Buyer shall not have any rights to or benefit of this Plan or any agreement related hereto.
- B. *Successors and Assigns.* This Plan shall be binding upon and inure to the benefit of only the heirs, legal representatives, assigns, and successors-in-interest of Buyer. Buyer may assign its rights and obligations under this Plan to any successor-in-interest to Buyer's fee simple ownership of the Property provided that such successor assumes all obligations of Buyer hereunder to the extent the same arise after the date Buyer transfers the Property and CRA/LA and HCID shall accept performance of Buyer's obligations hereunder by Buyer's successor in the event of any such transfer of ownership of the Property.

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Morrison Hotel, LLC

By: RICHARD HEYMAN
Name: RICHARD HEYMAN
Title: Manager

UNIFIED REPLACEMENT HOUSING PLAN
103 W. 4th Street, Los Angeles, California

This Unified Replacement Housing Plan (the "Plan") sets forth the obligations of Golden Hills Towers LLC, together with its successors and assigns, including Hollywood International Regional Center LLC, (the "Buyer"), in its provision of a Replacement Housing Plan based upon discussions and correspondence with the Community Redevelopment Agency of the City of Los Angeles ("CRA/LA"), a Designated Local Authority, and the Successor Agency to CRA/LA and the City of Los Angeles ("City") Housing and Community Investment Department ("HCID") in satisfaction of (1) the Development Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas (the "Guidelines"); (2) the Wiggins Settlement Agreement (the "Settlement"); and (3) City Ordinance No. 180,175: the Single Room Occupancy Ordinance (the "Ordinance") with respect to the rehabilitation and conversion of the occupied, 155-unit Barclay Residential Hotel ("Barclay Residential Hotel") located at 103 West 4th Street, Los Angeles, California ("Property") into a traditional hotel ("Barclay Hotel Project"). This Plan is written in accordance with Section IV.B and VII of the Guidelines; Section 2.A-2.c. of the Settlement and Section 47.79 of the Ordinance. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Guidelines.

As a condition precedent to the issuance of a building permit for the demolition, rehabilitation, or conversion of the Residential Hotel Units located in the Barclay Residential Hotel, the Buyer is required to provide Replacement Units ("Replacement Units") as defined in Section III of the Guidelines; Section 1 of the Settlement; and, Section 47.73-D of the Ordinance; and, in accordance with Section IV of the Guidelines; Section 2.A-2 of the Settlement; and, Section 47.78 of the Ordinance. The Guidelines, Settlement, and Ordinance provide several options for a private owner to satisfy its Replacement Unit obligation, including constructing Replacement Units on-site; constructing Replacement Units off-site; purchasing affordability covenants; or paying an in-lieu fee. This Plan outlines the terms and conditions of Buyer's compliance with such requirements by constructing the Replacement Units off-site.

Buyer will also be responsible for demonstrating, (1) Proof of Buyer's ability to fund the project through Buyer equity and permanent and construction loans from a financial institution to pay for construction of the Replacement Unit Housing Development; (2) Recordation of Replacement Unit/Affordability Covenants; and (3) Evidence of Ownership/Control of Site prior to CRA/LA clearing building permits to rehabilitate the Barclay Residential Hotel. By complying with this Plan, Buyer will have satisfied the requirements of the Design Guidelines for purposes of CRA/LA clearing building permits for the Barclay Hotel Project.

- A. *Description of Proposed Rehabilitation and Conversion.* The proposed work is to relocate existing tenants, rehabilitate and convert the 155 unit Barclay Residential Hotel into a traditional hotel. The Barclay Hotel Project will consist of rehabilitation (e.g., repair, restoration, maintenance and/or minor alterations to the existing structure that involve no expansion of use) and conversion into a traditional hotel with approximately 145 guest rooms and approximately 11,685 square feet of ground-floor commercial space. Construction of the Barclay Hotel Project is anticipated to start as soon as possible, but no later than April 2020.

- B. *Total Number of Existing Residential Hotel Units.* The Barclay Residential Hotel contains 155 units on site per the "as-builts" of the Barclay Residential Hotel prepared by an architecture firm. Of these, only 21 are currently occupied.
- C. *Bedroom Composition of the Existing Residential Hotel Units.* The Barclay Residential Hotel has 155 units configured as single units. One hundred and five of these units have a bathroom. The remainder of the units share common bathrooms. Four of these units are extremely small around 100 square feet each.
- D. *Displacement of Residential Hotel Occupants.* The Barclay Residential Hotel has 21 occupied units requiring a Relocation Assistance Plan.

I. OFF-SITE REPLACEMENT UNITS

This Replacement Housing Plan would provide Replacement Units under Guidelines Section VII-B, Ordinance Section 47.79-A.1, and Settlement Section 2.A-2.c(2), which permit a private owner to meet its replacement housing obligation by constructing, or causing to construct the necessary Replacement Units on 409-411 E. 5th Street (Replacement Unit Housing Development or Project), 1416-1328 Linwood Avenue, and/or at a qualified alternative site as defined under Section I.H. below.

- A. *Name of Entity and Location for Replacement Units.* Buyer shall satisfy its Replacement Unit obligation under the Guidelines, Settlement, and Ordinance by constructing 155 new Replacement Units off-site on 409-411 E. 5th Street in the City (the "Project Site"), 1316-1328 Linwood Avenue¹ and/or at a qualified alternative site as defined under Section I.H. below, which is within the applicable boundaries established in the Guidelines, Settlement, and Ordinance.
- B. *Replacement Unit Plan.* Buyer shall satisfy the applicable Replacement Unit obligations under the Guidelines, Settlement, and Ordinance by providing Replacement Units on a one-for-one basis 155 Barclay Residential Hotel units through the construction of 155 off-site Replacement Units on 409-411 E. 5th Street, 1416-1328 Linwood Avenue, and/or at a qualified alternative site as defined under Section I.H. below. The 155 off-site Replacement Units shall be covenanted as affordable for not less than 55 years at the affordability levels listed as follows:

| Affordability Level | Number of Units | % of Units |
|----------------------|-----------------|-------------|
| No More than 30% AMI | 16 | 10% |
| No More than 40% AMI | 46 | 30% |
| No More than 50% AMI | 93 | 60% |
| TOTAL | 155 | 100% |

The average affordability for the Replacement Units is approximately 46% of AMI.

¹ The Replacement Unit Housing Development at the Project Site proposes to construct 151 Replacement Units. The four remaining Replacement Units will be constructed at 1416-1328 Linwood Avenue.

Because there shall not be a reduction in the number of Replacement Units, the Replacement Units shall have, at a minimum, similar characteristics as the removed existing Residential Hotel units as identified in Section A above. The composition of the Replacement Units would be studios at a minimum or some other unit type such as one-bedroom provided, however, that the rental limits for the units shall be based on the limits designated for the unit type. The maximum allowable rent levels will be based on HCID's most current Income and Rent Limit – Land Use Schedule 1.

Each Replacement Unit shall comply with all applicable federal, state, and local codes. If any Replacement Unit is within 500 feet of a railroad, major highway or freeway, airport or aircraft pathway, the Replacement Units will have a Sound Transition Class of 50 or greater (as defined in the Uniform Building Code).

C. *Timing and Manner of Replacement Unit Housing Development.* Below is an initial Schedule of Performance for the Replacement Unit Housing Development which is subject to change.

| Action Item | Deadline |
|--|---------------|
| Acquire 409-411 E. 5 th Street and 1416-1328 Linwood Avenue | Completed |
| Evidence of Site Control to CRA/LA | May 2019 |
| Submit the Master Land Use Application | June 2019 |
| Proof of Funding for Construction | August 2019 |
| Project Approval | November 2019 |
| Recordation of Replacement Unit/Affordability Covenants | December 2019 |
| Obtain building permits for the Replacement Units | January 2020 |
| Start construction of the Replacement Units | February 2020 |

The construction and development of the Replacement Unit Housing Development is expected to be financed with Buyer equity and permanent and construction loans. Buyer shall provide any buyer equity contribution necessary to obtain the necessary loans from a financial institution for the construction and development of the Replacement Unit Housing Development (the “Buyer Equity Contribution”) in order to avoid the necessity of either the City or CRA/LA having to provide funding for the Replacement Unit Housing Development. Set forth below is an anticipated budget for the financing of the Replacement Unit Housing Development. While the numbers set forth below are subject to change, the Buyer Equity Contribution to be provided by Buyer in all events shall be not less than the following.

| Construction - Fund Type | Amount |
|--------------------------|--------------|
| Construction Loan | \$30,900,000 |
| Equity | \$4,492,996 |
| Permanent - Fund Type | |
| Permanent Loan | \$24,446,000 |
| Equity | \$10,946,996 |

| | |
|--------------------------|--------------|
| Total Buyer Contribution | \$35,392,996 |
|--------------------------|--------------|

D. *CRA/LA and HCID Clearances.* The following shall be conditions precedent to the CRA/LA and HCID providing any clearance for the construction on or occupancy of the Barclay Hotel Project based on compliance with the Design Guidelines:

1. Buyer shall demonstrate proof of ownership, in the form of a recorded grant deed or other written evidence, for 409-411 E. 5th Street, 1416-1328 Linwood Avenue, and/or a qualified alternative site as defined under Section I.H. below;
2. Buyer shall provide evidence that the proposed 155 units can be built on 409-411 E. 5th Street and 1416-1328 Linwood Avenue, and/or, if necessary, acquire a qualified alternative site location as defined in Section H below;
3. Buyer shall record a covenant on the Project Site for the benefit of the CRA/LA restricting the use of the Project Site to the construction of the Replacement Unit Housing Development which includes the income and rent restrictions required by the Guidelines (the “Replacement Housing Covenant”);
4. Buyer shall provide the CRA/LA and HCID with evidence that the financing set forth in Section D, above, has been committed for the Replacement Unit Housing Development;
5. Construction of the Replacement Units must start within twenty-four (24) months of obtaining building permits for the Barclay Hotel Project. If the Buyer can demonstrate reasonable effort to complete construction and exceptional circumstances beyond the Buyer's control arise that prevent Buyer from starting construction within the twenty-four (24) month period set forth herein, CRA/LA has the option to either (1) stay the timing requirements set forth in this subsection for a mutually-agreed upon period of time; or (2) provide the Buyer with two twenty-four (24) month extensions. The term “exceptional circumstances beyond the Buyer's control” is understood by the parties to include but not be limited to any delay by the City or other governmental entity in processing or issuing permits for the construction of the Replacement Units;
6. If any of the necessary project approvals (e.g., CEQA environmental documents, entitlements, building permits, etc.) become subject to litigation or administrative challenge, the timing requirement to construct the Replacement Units as set forth in Section D.5 of this Plan will be automatically stayed. The end of this tolling period will be determined by mutual agreement of the Buyer and CRA/LA, but will not be before final resolution of the challenge(s); and
7. To ensure performance, Buyer shall record a mutually agreed upon transfer restriction against the Property requiring CRA/LA approval, consistent with the terms of Sections III.A and III.B herein, for any transfer or sale of the Property prior to the completion of the off-site covenanted Replacement Units (the “Transfer

Restriction"). The Transfer Restriction shall be released upon completion of the off-site covenanted Replacement Units.

Upon satisfaction of the foregoing conditions, CRA/LA and HCID clearances shall be provided for the building permits.

E. *Replacement Unit Income Monitoring and Reporting.* The Replacement Unit Housing Development shall comply with the California Tax Credit Allocation Committee requirements for income compliance monitoring and status reporting for the Replacement Units. This Replacement Unit Income Monitoring and Reporting shall fully satisfy all City and HCID income monitoring and reporting requirements. The City and HCID shall require no further or additional income monitoring and reporting.

F. *Restriction on Certificate of Occupancy for Last On-Site Unit.* The City and HCID shall have the right to enforce Buyer's obligations hereunder by withholding the Certificates of Occupancy for the Barclay Hotel Project until the Buyer obtains funding for the Replacement Unit Housing Development, the Replacement Housing Covenant has been recorded in form and substance acceptable to the parties hereto and construction of the off-site units has commenced.

G. *CRA/LA Approval of the Plan.* Any approval of this Plan granted by CRA/LA shall in no way constitute a representation by CRA/LA that this Plan satisfies any provision of the Ordinance. The City is the sole determiner as to whether this Plan complies with the provision of the Ordinance.

H. *Buyer Satisfaction.* If the Buyer attempts to construct the Replacement Unit Housing Development, but cannot obtain approval of a project (through no fault of their own) that replaces each unit on a one-to-one basis at the Project Site, the Buyer may seek a qualified alternative site location to construct the remaining units. A qualified alternative site must meet the following criteria:

1. Site is located within the solid red lines denoted on Map A of the Guidelines;
2. Zoning for the site allows residential uses;
3. Zoning for the site allows the required density and FAR to construct the remaining units; and
4. Site is located within a reasonable distance from public transit and services to the fullest extent possible.

I. LAMC 12.33-C.3 identifies affordable housing as one of the developments that shall not be required to pay a park fee. LAMC 12.33-G states an affordable housing unit shall receive an exemption from the requirement for dedication of land for park and recreational purposes and/or payment of the park fee if the affordable housing unit is affordable to a household at or below 120% of AMI. As all Replacement Units are affordable to a household below 120% of AMI, the Replacement Units would be exempt from paying the park fee or land dedication for park and recreational purposes.

- J. *Satisfaction of Conditions.* All applicable conditions under the Guidelines, Settlement, and Ordinance relating to providing affordable Replacement Units shall be deemed satisfied upon payment of the in-lieu fee as required under Option B.

II. MISCELLANEOUS

- A. *Applicability of Plan.* This Plan, including its rights and obligations, shall solely benefit and burden the parties hereto and any current or future owner of the Property other than the Buyer shall not have any rights to or benefit of this Plan or any agreement related hereto.
- B. *Successors and Assigns.* This Plan shall be binding upon and inure to the benefit of only the heirs, legal representatives, assigns, and successors-in-interest of Buyer. Buyer may assign its rights and obligations under this Plan to any successor-in-interest to Buyer's fee simple ownership of the Property provided that such successor assumes all obligations of Buyer hereunder to the extent the same arise after the date Buyer transfers the Property and CRA/LA and HCID shall accept performance of Buyer's obligations hereunder by Buyer's successor in the event of any such transfer of ownership of the Property.

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By: ~~RICHARD HEYMAN~~
Name: ~~RICHARD HEYMAN~~
Title: Manager

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RELOCATION ASSISTANCE PLAN



Barclay Hotel
103 W. 4th Street
Downtown Los Angeles, California

Relocation Assistance Plan – 103 W. 4th Street

I. INTRODUCTION

Relevant Group has developed numerous properties in the Los Angeles area and has an interest in pursuing affordable housing projects. Most recently, Relevant Group is planning to rehabilitate and convert existing residential hotels while also developing affordable housing projects with related supportive services. Relevant Group plans to rehabilitate the 155-unit Barclay Residential Hotel ("Barclay") located at 103 W. 4th Street ("Project Site") in downtown Los Angeles into a traditional hotel ("Redevelopment Project").

The Barclay is currently owned by Golden Hills Towers LLC ("Property Owner"). Relevant Group, together with its successors and assigns, is the developer of the Redevelopment Project and plans to work closely with the Property Owner to relocate the existing tenants at the Project Site and fulfill the relocation obligations under the Wiggins Settlement Agreement. As such, this Relocation Assistance Plan ("Relocation Plan") refers to these obligations as Relevant Group's throughout. All required replacement units will be developed offsite at 1316-1328 Linwood Avenue, 409-413 E. 5th Street ("Replacement Sites"), and/or at a qualified alternative site, or a combination thereof.

The Barclay is located within the Central City Community Plan Area in downtown Los Angeles. Surrounding uses are primarily commercial and include restaurants, retail services, hotel, and some residential uses. The Project Site is situated at the periphery of the Skid Row neighborhood, which includes the area directly to the east. Skid Row is home to the largest population of homeless individuals in the country. Most recently, the City has been working towards alleviating the large number of homeless encampments in the area with the provision of temporary shelters and increased affordable housing options. Little Tokyo is located directly to the north of the Project Site which includes City Hall, affiliated local and federal buildings, and a range of Japanese restaurants, retail, and cultural attractions. The location of the Project Site is shown in **Figure 1**.

The preliminary plans for the redevelopment of the Barclay propose the rehabilitation and conversion of the existing 155-unit hotel into a traditional hotel with approximately 145 guest rooms and approximately 11,685 square feet of ground-floor commercial space. As a result of this proposed redevelopment, 26 households will be displaced.

The dwelling units which are the subject of this Relocation Plan will be developed off-site at 1316-1328 Linwood Avenue, 409-413 E. 5th Street, and/or at a qualified alternative site, or at a combination thereof. These sites or the qualified alternative site will be located within the immediate vicinity of the Project Site. The dwelling units at these Replacement Sites are proposed to be built as well-designed modular units that include 150 one-bedroom units each with their own private bathroom, kitchen, and small living area. The total anticipated unit count at the Replacement Sites is 300 dwelling units. The proposed buildings will also include a range of amenities such as ample open space, supportive services, on-site laundry, and multipurpose rooms. The

Relocation Assistance Plan – 103 W. 4th Street

replacement units are substantially larger and have more amenities than the existing, studio units at the Project Site.

Shober Consulting, an experienced relocation firm, has been selected to prepare this Relocation Plan and will provide all subsequently required relocation assistance. In compliance with statutory requirements, the Relocation Plan has been prepared to evaluate the present circumstances and replacement housing requirements of the current occupants. Relevant Group will provide all subsequently required relocation assistance to the households which will be displaced.

II. RELOCATION PLAN

This Relocation Plan is consistent with the plan as defined in California Government Code Section 7260 *et seq.* and Title 25 of the California Code of Regulations Section 6000 *et seq.* and any other applicable local state or federal laws governing relocation assistance as defined in the Wiggins Settlement Agreement. All eligible tenants will be protected under the State of California relocation laws. In order to attain Relevant Group's overall development goals for the Redevelopment Project, it will provide a fair and equitable relocation program for all eligible displacees.

A. General Demographic and Housing Characteristics

To obtain information necessary for the implementation of the Relocation Plan, interviews will be conducted with the current tenants of the Barclay who will be displaced for the redevelopment of the Project Site. Interviews will include questions related to occupancy status, income, household size and composition, rental information, length of occupancy, health problems or disabilities, as well as any preferences related to replacement housing.

Title 25 of the California Code of Regulations Section 6000 *et seq.* establishes the requirement to conduct direct, in-person interviews of all tenants being vacated. Relevant Group will make this effort and collect the tenant information set forth in the regulations, including income, family size, eligibility for publicly-assisted housing, tenant preferences and other household information.

As of July 2019, the Barclay had 26 tenant-occupied units. All remaining units are vacant and have been vacant for a number of years. All units at the Barclay are small, studio-style units that can accommodate a maximum of two tenants. Our understanding is that all households will prefer to stay in the immediate area and rely on public transportation as the Project Site does not provide any on-site parking. Relevant Group anticipates the households will largely be classified as Extremely Low or Very Low Income households based on the income limits established by Housing Community Investment Department ("HCID").

Relocation activities will consider individual household needs to be close to public transportation, employment, schools, services, and amenities.

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Relocation information and assistance will be provided in the primary language of the displaced occupants, in order to assure that all displaced occupants obtain a complete understanding of the relocation plan and eligible benefits.

B. Relocation Housing Needs

The interview process will be used to determine housing preferences and reported needs in regards to proximity to public transportation, employment, schools, services, and amenities. In addition, health needs will also be taken into consideration as it relates to proximity to medical facilities.

Pursuant to Section 2.A.2.e of the Wiggins Settlement, each displaced tenant at the Project Site will be offered first right of refusal of the replacement units at 1316-1328 Linwood Avenue, 409-413 E. 5th Street, or at the qualified alternative site, or at a combination thereof.

C. Replacement Housing Resources

For the potential displacees, a rental survey will be conducted prior to any mandatory displacement to identify available comparable, decent, safe, and sanitary units, which are similar in size and in close proximity to the Project Site.

Relevant Group has conducted a preliminary survey to assess average rent in the proximity of the Project Site for purposes of this Relocation Plan. The average rent for a studio in downtown is estimated to be \$1,957.15, calculated based on existing vacancies in nearby apartments buildings throughout the downtown area. (See Figure 2.) Please note that studios vary in size and amenities, but the majority of the studios included have more amenities and are larger in size than the existing Barclay units, which range from 164 square feet to 374 square feet (average is 258.7 sf).¹ Additionally, only 90 units in the Barclay have full bathrooms and none have full kitchens.

Relevant Group will work with each tenant to ensure that they are placed at the Replacement Sites or an alternative site prior to displacement from the Barclay.

D. Temporary Housing

There is no anticipated need for temporary housing beyond what is outlined in this Relocation Plan. Should such a need arise, Relevant Group will respond appropriately, and in conformance with all applicable laws and requirements.

¹ Per information obtained via databases such as RentCafe¹ the overall average rent for Los Angeles and Downtown is \$2,384 and \$2,646 a month respectively and regardless of unit size. The range is inclusive of units of various sizes including studios. ApartmentList¹ identifies the average rent for a 1-bedroom in Los Angeles as \$1,370 per month.

Relocation Assistance Plan – 103 W. 4th Street

E. Relocation Assistance Program

The Relocation Plan will be provided in accordance with the standards and provisions of the State of California Relocation Law, Government Code Section 7260, *et seq.*, and Title 25, Chapter 6, Relocation Assistance and Real Property Acquisition, as amended January 1, 1998.

Program Standards and Objectives

The Relocation Plan implemented by Relevant Group will conform to the standards and provisions of the State of California Relocation Law, Government Code Section 7260 *et seq.*

The objectives of the Relocation Plan are the following:

1. To determine the specific needs of each residential displacee household eligible for relocation assistance.
2. To provide assistance in a fair and equitable manner that does not result in different treatment due to race, color, religion, national origin, gender, sexual orientation, marital status, or other arbitrary circumstances.
3. To fully inform displacee household occupants of the nature of and procedures for obtaining relocation assistance and benefits.
4. To provide an adequate number of referrals to comparable, decent, safe and sanitary housing units within a reasonable time prior to displacement activities.
5. To ensure that any residential occupant that is displaced is provided a minimum of 90 days written notice to vacate.
6. To provide current and updated information on comparable replacement housing opportunities.
7. To provide information regarding federal and state housing programs and any other governmental programs that provide assistance to displaced persons.
8. To assist each eligible person in completing any benefit applications as applicable.
9. To make relocation benefit payments in accordance with State and HUD guidelines, as applicable. Relevant Group will adhere to a grievance process once developed with Shober Consulting.
10. To inform all residential displacee households of Relevant Group's property management policies including eviction.

F. Relocation Advisory Assistance

In addition to overall relocation assistance, Relevant Group will provide technical and advisory assistance to the displaced tenants through Shober Consulting. Personnel will be able to conduct business in English and Spanish.

The following activities have occurred or will occur in connection with the implementation of the Relocation Plan:

1. Every household impacted has been or will be personally interviewed to gather the information necessary to determine needs and preferences regarding replacement housing. Tenants interviewed by relocation personnel will span the following areas: occupancy status, employment, income, household size and composition, rental information, length of occupancy, age, health problems or disabilities, transportation needs, as well as any preferences related to replacement housing.
2. Printed informational brochures will be provided to all displaced tenants in English and Spanish (as needed). Signed acknowledgements will be obtained to verify receipt. All follow-ups and interviews will be conducted in English or Spanish depending upon tenant needs.
3. Extensive research and field surveys will be completed to identify available housing resources and replacement housing referrals will be made to displaced tenants.
4. Relevant Group staff and/or relocation consultants will explain relocation payments and other assistance for which a tenant may be eligible, including eligibility requirements and procedures. Staff will also describe the recommendations for relocation housing and the basis for the eligibility determination.
5. Relevant Group staff and/or relocation consultants will provide assistance to complete rental application forms as needed.
6. Transportation to inspect the replacement locations within the area will be provided to all displaced tenants if necessary.
7. Relevant Group staff and/or relocation consultants will offer assistance to all displaced tenants in completing any applications for replacement housing, claim forms to request relocation benefits, and for services from other public agencies, as needed.
8. Referrals to governmental and social service agencies will be made, if needed.
9. All assistance provided to displaced households will be in the primary language (English, Spanish, or other) spoken by these households.

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G. Community Participation

Relevant Group will encourage public knowledge and participation in the planning stages of the Redevelopment Project. Relevant Group will perform interviews and tenant meetings in relation to this effort to engage with tenants and local community members.

Relevant Group will observe its obligations as stated in the California Administrative Code, Title 25, Chapter 5, Section 6012 to provide timely notice to all tenants, to make copies of this Relocation Plan available to the public upon request within 30 days prior to a final approval, and to make available all correspondence from potentially affected tenants.

H. Relocation Benefits

Relevant Group will provide relocation benefits in accordance with the provisions of the California Relocation Assistance Law. Benefits will be paid to eligible displaced tenants by Relevant Group. Eligibility requirements will be determined on an individual basis. An informational brochure with additional information and relocation benefits will be provided to each tenant.

Pursuant to California Code of Regulations § 6139, last resort housing payments are authorized if comparable replacement dwellings are not available, or are not available within the monetary limits of Government Code sections 7263 and 7264, as appropriate. As discussed above, Relevant Group intends to develop comparable replacement dwelling off-site at 1316-1328 Linwood Avenue and 409-413 E. 5th Street, and/or a qualified alternative site, or a combination thereof, in compliance with CCR § 6139(b)(3).

Supplemental relocation assistance benefits will be provided on an as-needed basis consistent with Section VIII.B.3 of the Wiggins Settlement Agreement.

I. Section 8 Housing Choice Vouchers

Those households, if any, currently participating in the Section 8 program will be provided on-going rental assistance pursuant to the provisions of the Section 8 program. The Section 8 program provides for a household to pay thirty percent (30%) of the household's adjusted income – with some program-specific exceptions – for their monthly housing rental costs.

J. Projected Dates of Displacement

The Relocation Plan was submitted for review by CRA in July 2019. Funding approval is anticipated in August 2019. Current building and construction plans will require the relocation of all tenants by August 2020. The tenants will not be given less than 90 days notice to vacate the Barclay.

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K. Estimated Costs of Relocation

Exact relocation costs will depend on several variables that will need to be determined prior to the quantification of relocation costs. The following assumptions have been made in order to provide these estimates:

Section VIII.B.2 of the Wiggins Settlement Agreement requires owners to make a one lump sum payment to the tenants in the following amount the greater of:

- a. 48 months of the rent differential between the market rate rent for the comparable replacement unit at the time of the displacement and the rent the displaced residential hotel occupant paid at the residential hotel unit to be removed;
- b. The relocation assistance benefit appropriate for the displaced person set forth in the Los Angeles Rent Stabilization Ordinance; or
- c. The private owner can provide a monthly payment of the rent differential between the market rate rent for a comparable replacement unit at the time of the displacement and the rent the displaced residential hotel occupant paid at the residential hotel unit to be removed until the replacement unit is constructed and offered to the residential hotel occupant, but for no longer than 48 months.

As required by the Wiggins Settlement Agreement, the owner will deposit the full 48-month estimated payment into an escrow account, which will be dispersed monthly to the displacee. When the replacement unit is ready for occupancy the owner can withdraw all remaining funds on deposit.

Given the high rental rate in the Downtown Los Angeles area, subsections a or c above (either as a lump sum or as a monthly payment over 48 months per Section VIII.B.2) will likely provide the greater amount to the tenants. Currently, the monthly rates at the Barclay range from \$470/month to \$50/day (or \$1,500/month). Based on the current rental rates the rent differential between the market rate rent (est. at \$1,957) for the comparable replacement unit and the rent the displaced residential hotel occupant paid at the Barclay ranges from approximately \$44,640 to \$102,432 for a 48-month period. The total relocation assistance benefits for all 26 units is estimated to be **\$1,555,074.24**. Depending on the actual time it takes for Relevant Group to construct the replacement units on the Replacement Sites, the relocation assistance benefits may be as low as \$521,200, which assumes HCID's standard RSO relocation benefit of \$21,200 for each occupied unit.

Moving Costs are estimated using HUD's 2015 Fixed Moving Expense and Dislocation Allowance schedule,² which is \$725 for a studio unit with furniture and \$475 without

² https://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm

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furniture. The total moving costs for the occupied 26 units are estimated to be between \$11,400 to \$17,400.

L. Supplemental Relocation Assistance Benefits

Pursuant to Section 3.5.3 of the Wiggins Settlement Agreement, in the event the replacement units at the Replacement Site are not replaced within four years from the date of displacement, Relevant Group will provide displacees an additional payment of six months of the rent differential between the market rate rent for a comparable replacement unit at the time of the displacement and the rent the displacee paid at the Barclay.

Persons with an income over 60% AMI are ineligible for supplemental relocation assistance.

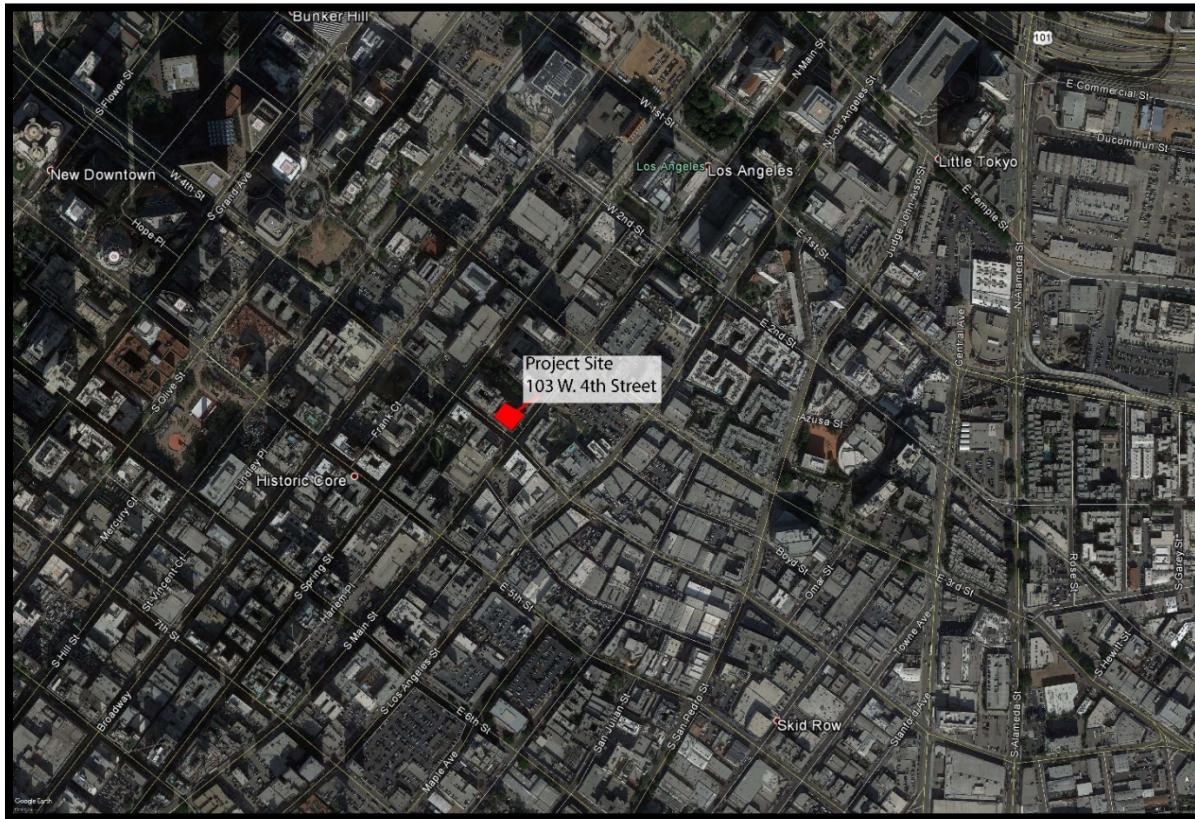
M. Summary

The Relocation Plan outlines a key project details and an overall assistance plan for displaced tenants. Relevant Group will provide the replacement units off site at 1316-1328 Linwood Avenue, 409-413 E. 5th Street, and/or at a qualified alternative site. This is comparable to the options currently provided in the housing market. All tenants being displaced will be interviewed and provided with adequate resources and assistance to facilitate the relocation process.

Relevant Group is committed to ensuring a successful relocation program. Relevant Group will use this Relocation Plan to assist each displaced tenant in the least disruptive manner. Relevant Group reserves the right to modify and update concepts and elements within the Relocation Plan and will continue to revise information as the Redevelopment Project is developed further.

Relocation Assistance Plan – 103 W. 4th Street

Figure 1 – Site Aerial



Relocation Assistance Plan – 103 W. 4th Street

Figure 2 – Average Rent for Studios in Downtown

| AVERAGE RENT FOR STUDIO - DOWNTOWN LA (Central City and Central City North CPAs) | | | |
|--|-------------|-------------|---|
| Unit Type | Rent | Square Feet | Source |
| Studio | \$ 2,475.00 | 569 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,000.00 | 519 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,225.00 | 560 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,007.00 | 595 | https://losangeles.craigslist.org/la |
| Studio | \$ 1,993.00 | 578 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,107.00 | 460 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,198.00 | 450 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,124.00 | 411 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,269.00 | 512 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,009.00 | 480 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,565.00 | 569 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,016.00 | 485 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,117.00 | 493 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,107.00 | 460 | https://losangeles.craigslist.org/la |
| Studio | \$ 2,000.00 | 519 | https://losangeles.craigslist.org/la |
| SRO/Bachelor | \$ 1,100.00 | 250 | https://losangeles.craigslist.org/la |
| SRO/Bachelor | \$ 1,640.00 | 306 | https://losangeles.craigslist.org/la |
| SRO/Bachelor | \$ 1,516.00 | 306 | https://losangeles.craigslist.org/la |
| SRO/Bachelor | \$ 1,200.00 | 200 | https://www.trulia.com/p/ca/los- |
| Micro Unit | \$ 1,475.00 | 175 | https://www.zillow.com/homes/fi |
| Average | \$ 1,957.15 | 444.85 | |
| Average Rent per SF | \$ 4.40 | | |